

Commonwealth of Kentucky Personnel Cabinet

Prepared for:
Kentucky Group Health Insurance Board Members

December 2006

Table of Contents

Dashboard Report	3
Introduction.....	4
Overview.....	4
Definitions	5
Enrollment	6
Claims Costs	9
Medical Claims Utilization.....	14
Analysis of Individuals and Families meeting their Deductible.....	15
Analysis of Individuals and Families meeting their Maximum Out of Pocket expenses.....	17
Premium (or Premium Equivalent).....	19
Prescription Drug Utilization.....	20
Utilization	24
Claims Lag Analysis.....	26
Claims Distribution based on Age/Gender	28
Allowed Amount Distribution	29
Summary of Enrollment and Claims	30

Dashboard Report

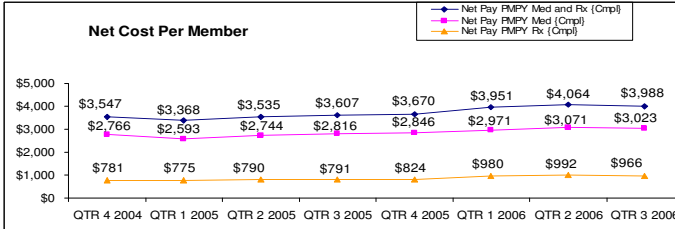
Based on Incurred Claims

Includes projections for Incurred but not yet reported claims (IBNR or CMPL)

1. Enrollment

Fact	Aug 2005 - Jul 2006	Aug 2004 - Jul 2005	% Change
Employees Avg Med	145,898	143,749	1.50%
Members Avg Med	233,238	228,531	2.10%
Family Size Avg	1.6	1.6	0.60%
Member Age Avg	37.1	37.1	0.20%

2. Net Claims Costs PMPY - (PMPY Costs as calculated at the end of each Quarter)

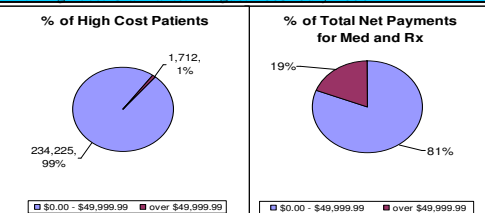


3. Allowed Claims Costs PMPY with Norms

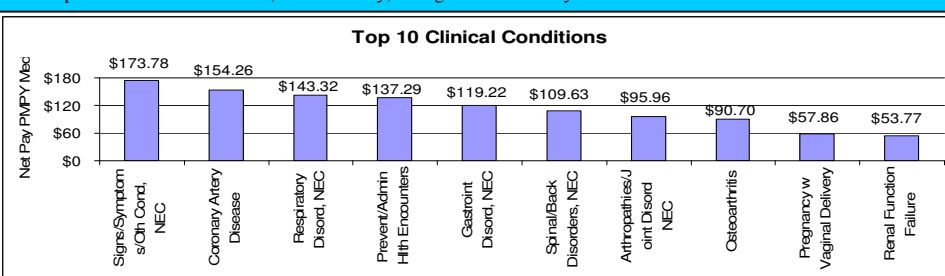
	Aug 2004 - Jul 2005	Aug 2005 - Jul 2006	Trend	Recent US Norm	Comp to Norm
Allow Amt PMPY Med (Cmpl)	\$3,052.10	\$3,325.82	9%	\$3,417.31	-2.75%
Allow Amt PMPY IP Acute (Cmpl)	\$906.75	\$951.48	5%	N/A	N/A
Allow Amt PMPY OP Med (Cmpl)	\$2,118.97	\$2,359.89	11%	\$2,304.78	2.34%
Allow Amt PMPY OP Fac Med (Cmpl)	\$985.23	\$1,004.89	2%	N/A	N/A
Allow Amt PMPY Office Med (Cmpl)	\$742.86	\$844.01	14%	\$0.00	N/A
Allow Amt PMPY OP Lab (Cmpl)	\$139.83	\$179.36	28%	\$0.00	N/A
Allow Amt PMPY OP Rad (Cmpl)	\$280.47	\$370.58	32%	\$0.00	N/A
Out of Pocket PMPY Med (Cmpl)	\$291.16	\$315.19	8%	\$596.50	-89.25%
Allow Amt PMPY Rx (Cmpl)	\$1,055.13	\$1,144.71	8%	\$941.96	17.71%
Out of Pocket PMPY Rx (Cmpl)	\$277.44	\$233.74	-16%	\$0.00	N/A

Above Norm
Below Norm

4. High cost Claimants: August 2005 - July 2006



7. Top 10 Clinical Conditions (Medical Only): August 2005 to July 2006



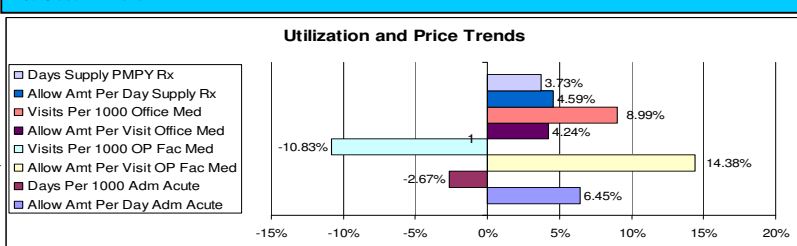
5. Prescription Drug Programs

	Fact	Aug 2004 - Jul 2005	Aug 2005 - Jul 2006	% Change
Mail Order	Discount Off AWP % Rx	28.15%	30.61%	8.73%
	Scripts Generic Efficiency Rx	85.12%	89.17%	4.76%
Retail	Discount Off AWP % Rx	25.71%	30.73%	19.56%
	Scripts Generic Efficiency Rx	90.40%	93.07%	2.95%
Total	Discount Off AWP % Rx	25.98%	30.72%	18.23%
	Scripts Generic Efficiency Rx	90.23%	92.91%	2.97%
	Scripts Maint Rx % Mail Order	4.93%	6.48%	31.36%

6.b. Cost Driver Support Table

Fact	Aug 2004 - Jul 2005	Aug 2005 - Jul 2006	% Change
Allow Amt Per Day Adm Acute	\$2,677.59	\$2,850.25	6.45%
Days Per 1000 Adm Acute	334.28	325.34	-2.67%
Allow Amt Per Visit OP Fac Med	\$569.97	\$651.93	14.38%
Visits Per 1000 OP Fac Med	1,728.57	1,541.41	-10.83%
Allow Amt Per Visit Office Med	\$102.63	\$106.99	4.24%
Visits Per 1000 Office Med	7,238.15	7,888.91	8.99%
Allow Amt Per Day Supply Rx	\$2.12	\$2.21	4.59%
Days Supply PMPY Rx	498.77	517.36	3.73%

6. Cost Drivers



Introduction

The Department for Employee Insurance (DEI) is pleased to provide an analysis of the Kentucky Employees Health Plan. In response to requests for data analysis this report has been prepared to provide information related to enrollment, claims payment, and utilization.

It is the Department's intent to update this information on a monthly basis in an effort to continue to provide current information about Kentucky's Health Insurance Program.

Overview

This report is compiled using Medstat, which is DEI's health insurance information management system. Medstat warehouses enrollment and claims data. Enrollment data is provided by DEI while claims data is provided by each carrier and/or TPA.

Claims information may be analyzed by either "incurred" or "paid" dates. "Incurred" reports specify paid amounts for claims that were incurred in a specified timeframe. Due to the lag time in submittal and payment of claims, historical reports that are based on incurred claims may change significantly with each new database update since additional incurred claims will be added. "Paid" claims reports specify the paid amount for claims regardless of when the claims may have been incurred. Unless otherwise specified, data contained in this report are based on "incurred" claims.

Enrollment in the KEHP changes on a daily basis due to a variety of reasons such as: new hires, adding dependents, dropping dependents, marriage, divorce, becoming Medicare eligible, etc. Therefore, Medstat is dealing with a fluid enrollment base. Also, each carrier processes claims slightly differently. During 2005 Medstat processed enrollment information for a total of 253,984 members as well as 7,196,140 claims (3,083,368 Medical claims and 4,048,855 prescriptions) from five different carriers. When dealing with such large numbers it is impossible to tag every claim to a corresponding group, carrier, service type, etc. While the tagging rate for the KEHP data exceeds 99%, you may still see information on reports stated as "~Missing". This indicates any enrollment or claims that could not be "tagged" by Medstat.

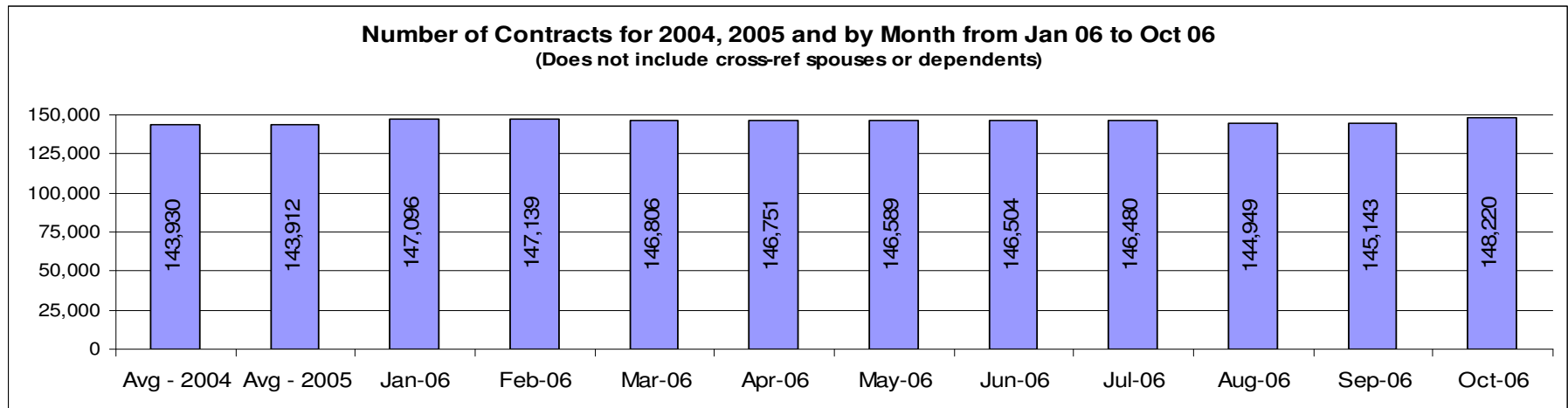
Definitions

DEI utilized the following definitions in preparing reports:

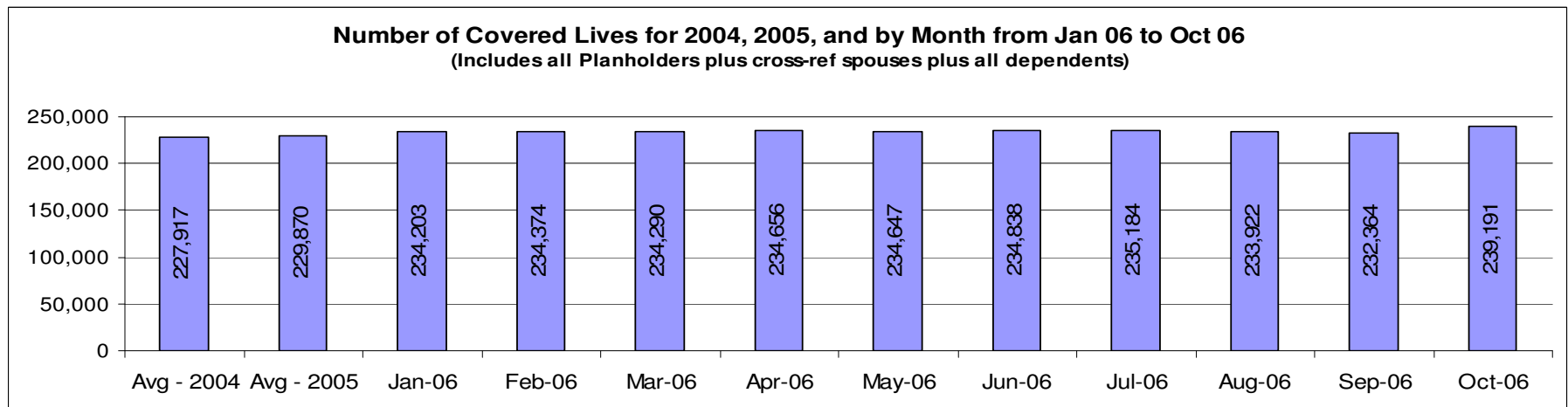
- “Employee” represents an individual eligible to participate in KEHP as a retiree in either KTRS or KRS, or by being employed by one of the agencies that participate with KEHP (example: state employee, school boards, Quasi agency, etc.). Employee may also be referred to as “planholder” or “contracts”. Please note that Medstat deals with Cross-reference plans uniquely. Although there are in fact two “employees” Medstat can only designate the planholder as an employee. Therefore, the cross-referenced spouse is considered a dependent and all claims and utilization data related to them is counted as a “member”.
- “Member” includes all employees plus any dependents that are covered through the KEHP. Members may also be referred to as “covered lives”.
- “Group” is Kentucky Retirement System (KRS), Kentucky Teachers Retirement System (KTRS), State Employees, School Boards, or Other (includes: COBRA, Health Departments, KCTCS, Quasi/Local Governments).
- “Plan” is Commonwealth Essential, Commonwealth Enhanced, Commonwealth Premier, HMO Option A, HMO Option B, POS Option A, POS Option B, PPO Option A, PPO Option B, or EPO Option C.
- “Carrier” may be Aetna, Anthem, Bluegrass Family Health, CHA Health, United Healthcare, or Humana (please note that Express Scripts data is designated as Humana).
- “Generic Efficiency” means the number of prescriptions that are filled with a generic product as a percentage of the total number of prescriptions where a generic is available.
- “OOP” is the amount paid out-of-pocket by the member for facility, professional, and prescription drug services. This generally includes coinsurance, co-payment, and deductible amounts.
- “Allowed Amount” is the amount of submitted charges eligible for payment for all claims. It is the amount eligible after applying pricing guidelines, but before deducting third party, co-payment, coinsurance, or deductible amounts.
- “Net Payment” is the net amount paid for all claims. It represents the amount after all pricing guidelines have been applied, and all third party, co-payment, coinsurance, and deductible amounts have been subtracted.
- “Patients” is the unique count of members who received facility, professional, or pharmacy services.
- “Days Supply” is the number of days for which drugs were supplied for prescriptions filled. It represents the number of days of drug therapy covered by a prescription.
- “Mail Order” is computed as any script filled with a “days supply” of more than 30 days, regardless of the physical location where the prescription was filled.
- “Retail” is computed as any script filled with a “days supply” of 30 days or less, regardless of the physical location where the prescription was filled.

Enrollment

The following details planholder enrollment (contracts) for 2004, 2005, and monthly year-to-date for 2006. Enrollment will fluctuate on a monthly basis. (Note: There have been approximately 7,000 cross-referenced spouses in any given month that are not included in the following chart.)



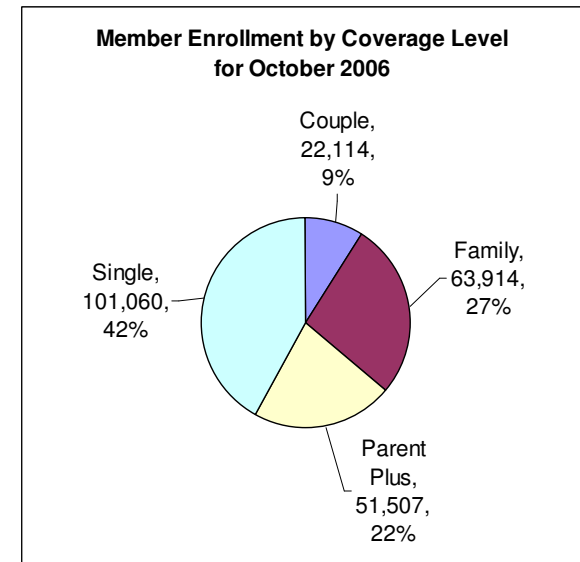
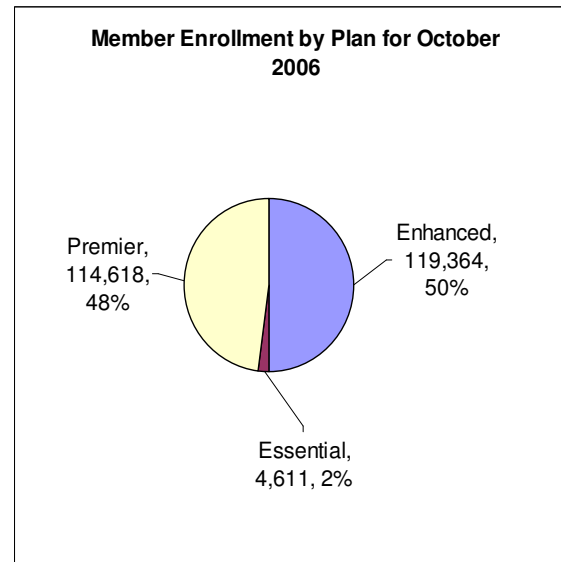
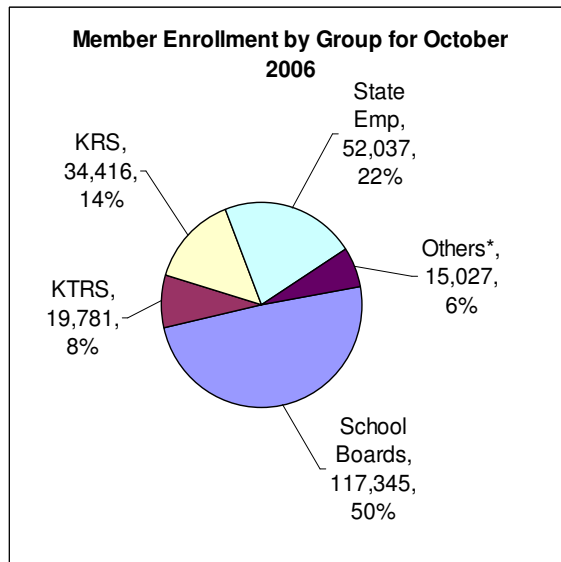
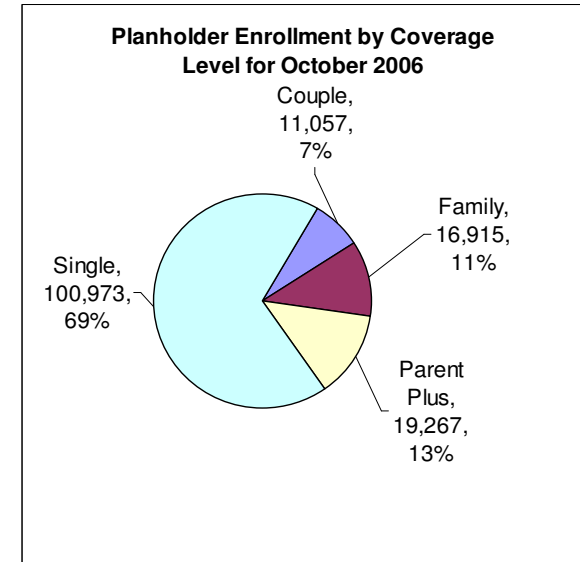
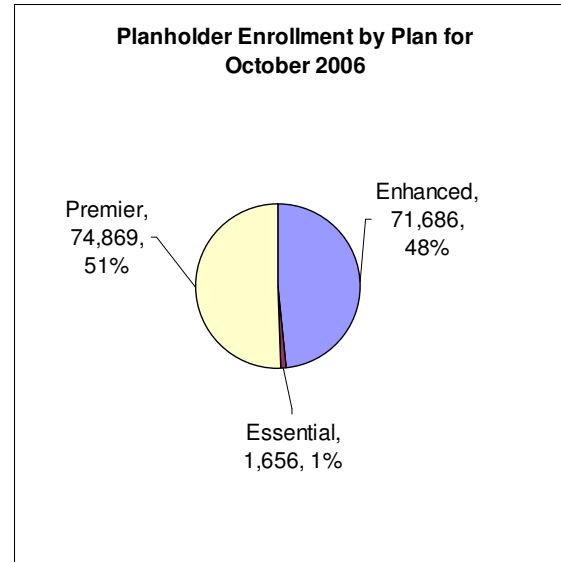
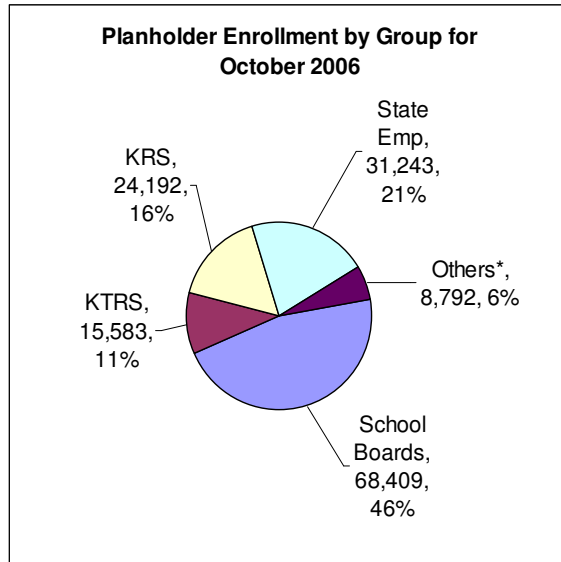
The following details member enrollment (covered lives) for 2004, 2005, and monthly year-to-date for 2006. Enrollment will fluctuate on a monthly basis.



The following shows the number of cross-reference spouses for 2004, 2005, and monthly year-to-date for 2006. Number of Cross-Reference Spouses will fluctuate on a monthly basis.

Time Period	Number of Cross-Reference Spouses
Avg - 2004	5,004
Avg - 2005	7,020
Jan-06	7,075
Feb-06	7,072
Mar-06	7,084
Apr-06	7,104
May-06	7,097
Jun-06	7,111
Jul-06	7,111
Aug-06	7,042
Sep-06	7,069
Oct-06	7,221

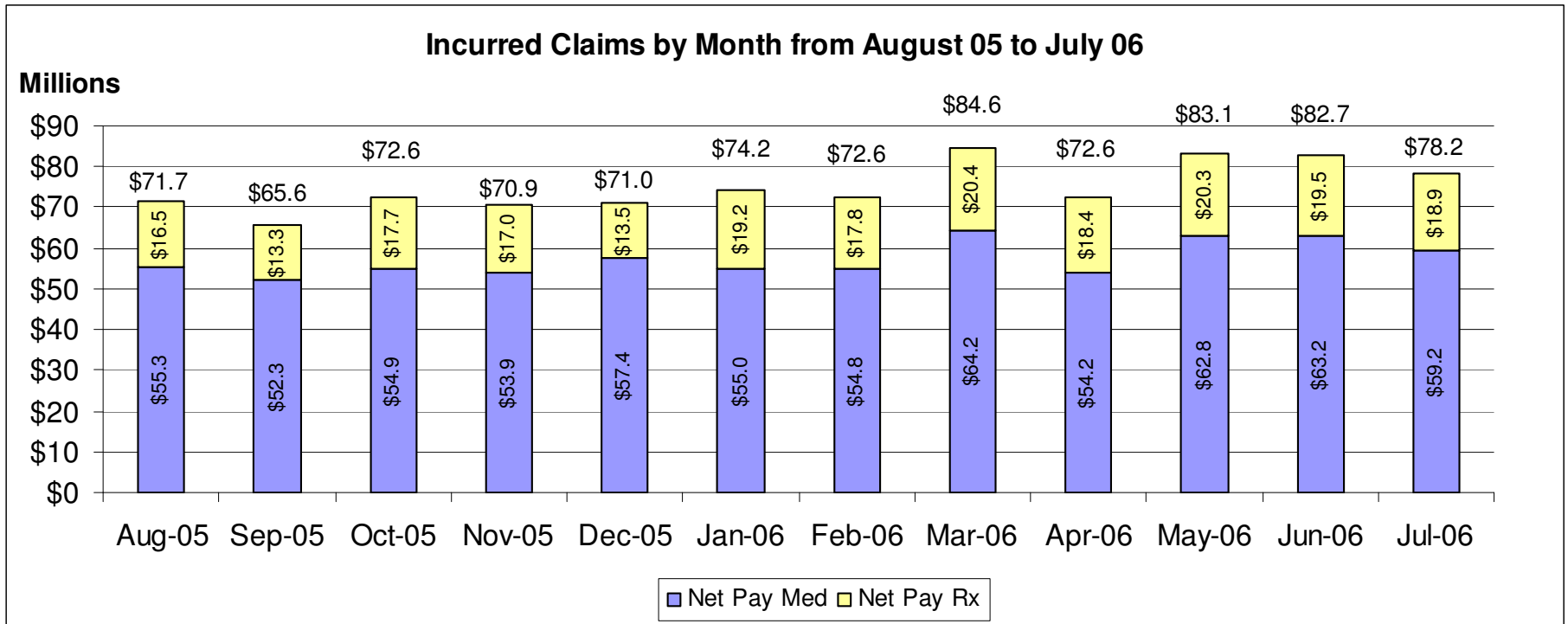
The following displays Planholder and Member enrollment by group, plan, and coverage level.



* Others include Cobra, Health Departments, KCTCS, Quasi/Local Governments, or Missing (unable to determine group).

Claims Costs

Claims costs, including Medical and Prescription (Rx) for the most recent rolling year. Based on Incurred Claims.



NOTE: Includes run out data from all Carriers

The following represents incurred medical claims only (does not include Rx) by Group for 2004, 2005, and monthly year-to-date for 2006.

	School Boards	KTRS	KRS	State Employees	Others*	Totals
2004	\$246,691,214	\$70,872,177	\$106,225,837	\$123,498,045	\$43,073,840	\$590,361,113
2005	\$258,913,971	\$80,554,535	\$122,178,132	\$127,211,192	\$43,374,557	\$632,232,387
Jan-06	\$21,808,900	\$7,141,341	\$11,448,282	\$11,353,739	\$3,254,452	\$55,006,714
Feb-06	\$22,121,846	\$6,870,347	\$11,012,595	\$11,022,940	\$3,801,856	\$54,829,584
Mar-06	\$25,384,440	\$8,046,418	\$12,295,206	\$14,439,667	\$4,022,496	\$64,188,227
Apr-06	\$21,740,205	\$7,166,901	\$9,870,003	\$11,889,342	\$3,524,796	\$54,191,247
May-06	\$24,981,131	\$8,235,946	\$12,882,288	\$12,884,119	\$3,834,336	\$62,817,819
Jun-06	\$29,079,743	\$7,215,550	\$11,459,074	\$11,613,669	\$3,852,082	\$63,220,118
Jul-06	\$26,325,578	\$7,118,380	\$10,483,013	\$11,739,973	\$3,573,066	\$59,240,011

* Others include Cobra, Health Departments, KCTCS, Quasi/Local Governments, or Missing (unable to determine group).

The following represents incurred Rx claims only (does not include medical) by Group for 2004, 2005, and monthly year-to-date for 2006.

	School Boards	KTRS	KRS	State Employees	Others*	Total RX
2004	\$65,554,794	\$24,644,841	\$34,889,675	\$32,606,398	\$10,801,244	\$168,496,952
2005	\$69,961,374	\$27,101,984	\$39,829,196	\$34,366,406	\$11,563,830	\$182,822,790
Jan-06	\$7,464,006	\$2,901,061	\$4,269,414	\$3,550,181	\$1,054,366	\$19,239,028
Feb-06	\$7,092,027	\$2,494,973	\$3,894,797	\$3,313,193	\$981,277	\$17,776,267
Mar-06	\$8,158,266	\$2,974,889	\$4,375,842	\$3,761,621	\$1,109,488	\$20,380,105
Apr-06	\$7,227,677	\$2,690,772	\$4,092,461	\$3,386,162	\$1,033,957	\$18,431,029
May-06	\$7,961,008	\$2,991,664	\$4,486,522	\$3,703,169	\$1,177,740	\$20,320,103
Jun-06	\$7,662,545	\$2,888,598	\$4,326,134	\$3,535,229	\$1,073,079	\$19,485,586
Jul-06	\$7,218,591	\$2,817,146	\$4,416,190	\$3,411,776	\$1,062,692	\$18,926,395

* Others include Cobra, Health Departments, KCTCS, Quasi/Local Governments, or Missing (unable to determine group).

The following represents incurred medical claims only (does not include Rx) by Plan for 2004, 2005, and monthly year-to-date for 2006.

Time Period	Commonwealth Enhanced	Commonwealth Essential	Commonwealth Premier	HMO*	POS*	PPO*	EPO Option C	Missing*	Total
2004	\$618,383	\$103,010	\$991,694	\$213,213,977	\$41,125,355	\$325,507,882	\$5,548,872	\$3,251,941	\$590,361,113
2005	\$224,183,188	\$5,661,564	\$399,302,120	\$12,938	\$3,035	\$183,482	\$70	\$2,885,991	\$632,232,387
Jan-06	\$20,034,734	\$380,318	\$34,486,400	\$0	\$0	\$0	\$0	\$105,262	\$55,006,714
Feb-06	\$20,346,808	\$586,108	\$33,603,546	\$0	\$0	\$0	\$0	\$293,122	\$54,829,584
Mar-06	\$24,040,216	\$373,492	\$39,344,694	\$0	\$0	\$0	\$0	\$429,824	\$64,188,227
Apr-06	\$20,717,840	\$333,766	\$32,680,977	\$0	\$0	\$0	\$0	\$458,665	\$54,191,247
May-06	\$23,695,364	\$438,527	\$38,388,917	\$0	\$0	\$0	\$0	\$295,012	\$62,817,819
Jun-06	\$24,675,462	\$318,781	\$37,837,452	\$0	\$0	\$0	\$0	\$388,423	\$63,220,118
Jul-06	\$23,465,076	\$396,347	\$35,094,265	\$0	\$0	\$0	\$0	\$284,323	\$59,240,011

*HMO = HMO Option A plus HMO Option B

POS = POS Option A plus POS Option B

PPO= PPO Option A plus PPO Option B

*Missing means the claims could not be tagged to a specific plan.

The following represents incurred Rx claims only (does not include medical) by plan for 2004, 2005, and monthly year-to-date for 2006.

Time Period	Commonwealth Enhanced	Commonwealth Essential	Commonwealth Premier	HMO*	POS*	PPO*	EPO Option C	Missing*	Total
2004	\$45,196	\$2,359	\$74,909	\$59,139,093	\$13,498,633	\$94,806,542	\$684,426	\$245,795	\$168,496,952
2005	\$64,878,852	\$1,341,401	\$116,060,672	\$13,027	\$3,674	\$25,483	\$496	\$499,185	\$182,822,790
Jan-06	\$6,873,903	\$107,047	\$12,214,185	\$0	\$0	\$0	\$0	\$43,893	\$19,239,028
Feb-06	\$6,458,062	\$96,238	\$11,134,326	\$0	\$0	\$0	\$0	\$87,641	\$17,776,267
Mar-06	\$7,463,439	\$97,425	\$12,732,949	\$0	\$0	\$0	\$0	\$86,292	\$20,380,105
Apr-06	\$6,588,693	\$91,953	\$11,664,662	\$0	\$0	\$0	\$0	\$85,720	\$18,431,029
May-06	\$7,364,423	\$102,813	\$12,768,635	\$0	\$0	\$0	\$0	\$84,231	\$20,320,103
Jun-06	\$7,002,190	\$88,969	\$12,324,142	\$0	\$0	\$0	\$0	\$70,285	\$19,485,586
Jul-06	\$6,799,237	\$83,271	\$11,970,412	\$0	\$0	\$0	\$0	\$73,475	\$18,926,395

*HMO = HMO Option A plus HMO Option B

POS = POS Option A plus POS Option B

PPO= PPO Option A plus PPO Option B

*Missing means the claims could not be tagged to a specific plan.

The following represents incurred medical claims only (does not include Rx) by Carrier for 2004, 2005, and monthly year-to-date for 2006.

Time Period	Anthem	Bluegrass Family Health	CHA Health	Humana	United Healthcare	~Missing*	Total
2004	\$534,701	\$224,128,428	\$139,747,038	\$222,352,699	\$346,307	\$3,251,941	\$590,361,113
2005	\$90,527,880	\$227,307,844	\$119,118,461	\$402,867	\$191,989,345	\$2,885,991	\$632,232,387
Jan-06	\$6,473	\$115,184	\$12,415	\$54,754,254	\$13,125	\$105,262	\$55,006,714
Feb-06	\$0	\$0	\$0	\$54,536,462	\$0	\$293,122	\$54,829,584
Mar-06	\$0	\$0	\$0	\$63,758,402	\$0	\$429,824	\$64,188,227
Apr-06	\$0	\$0	\$0	\$53,732,582	\$0	\$458,665	\$54,191,247
May-06	\$0	\$0	\$0	\$62,522,807	\$0	\$295,012	\$62,817,819
Jun-06	\$0	\$0	\$0	\$62,831,694	\$0	\$388,423	\$63,220,118
Jul-06	\$0	\$0	\$0	\$58,955,687	\$0	\$284,323	\$59,240,011

*Missing means the claims could not be tagged to a specific Carrier.

The following represents incurred Rx claims only (does not include medical) by Carrier for 2004, 2005, and monthly year-to-date for 2006.

Time Period	Anthem	Bluegrass Family Health	CHA Health	Humana	United Healthcare	~Missing*	Total
2004	\$17,314	\$61,324,944	\$42,603,314	\$64,273,189	\$32,397	\$245,795	\$168,496,952
2005	\$28,655,011	\$67,495,825	\$33,853,621	\$39,651	\$52,279,498	\$499,185	\$182,822,790
Jan-06	\$9,191	\$31,845	\$17,397	\$19,128,952	\$7,750	\$43,893	\$19,239,028
Feb-06	\$0	\$0	\$0	\$17,688,626	\$0	\$87,641	\$17,776,267
Mar-06	\$0	\$0	\$0	\$20,293,813	\$0	\$86,292	\$20,380,105
Apr-06	\$0	\$0	\$0	\$18,345,309	\$0	\$85,720	\$18,431,029
May-06	\$0	\$0	\$0	\$20,235,872	\$0	\$84,231	\$20,320,103
Jun-06	\$0	\$0	\$0	\$19,415,301	\$0	\$70,285	\$19,485,586
Jul-06	\$0	\$0	\$0	\$18,852,920	\$0	\$73,475	\$18,926,395

*Missing means the claims could not be tagged to a specific Carrier.

The following represents incurred medical claims only (does not include Rx) by Coverage Level for 2004, 2005, and monthly year-to-date for 2006.

Time Period	Couple	Family	Parent Plus	Single	Unknown*	Total
2004	\$79,902,446	\$103,799,387	\$85,465,650	\$317,941,690	\$3,251,941	\$590,361,113
2005	\$87,778,372	\$118,611,091	\$88,170,831	\$334,785,711	\$2,886,382	\$632,232,387
Jan-06	\$7,831,662	\$10,022,756	\$7,304,969	\$29,742,066	\$105,262	\$55,006,714
Feb-06	\$8,150,280	\$10,038,896	\$6,805,135	\$29,542,151	\$293,122	\$54,829,584
Mar-06	\$9,114,078	\$12,049,092	\$8,108,206	\$34,487,027	\$429,824	\$64,188,227
Apr-06	\$7,893,805	\$10,252,583	\$6,844,973	\$28,741,221	\$458,665	\$54,191,247
May-06	\$9,549,688	\$10,943,104	\$8,843,066	\$33,186,949	\$295,012	\$62,817,819
Jun-06	\$8,931,650	\$12,211,744	\$7,721,103	\$33,967,198	\$388,423	\$63,220,118
Jul-06	\$8,268,301	\$11,635,151	\$8,190,624	\$30,861,611	\$284,323	\$59,240,011

* Unable to tag claims to a specific coverage level.

The following represents incurred Rx claims only (does not include Medical) by Coverage Level for 2004, 2005, and monthly year-to-date for 2006.

Time Period	Couple	Family	Parent Plus	Single	Unknown*	Total
2004	\$26,000,775	\$29,722,962	\$19,085,089	\$93,442,331	\$245,795	\$168,496,952
2005	\$28,952,606	\$34,228,838	\$19,154,528	\$99,987,331	\$499,486	\$182,822,790
Jan-06	\$3,209,600	\$3,473,436	\$2,048,119	\$10,463,979	\$43,893	\$19,239,028
Feb-06	\$2,879,548	\$3,253,218	\$1,981,374	\$9,574,486	\$87,641	\$17,776,267
Mar-06	\$3,234,110	\$3,775,652	\$2,256,021	\$11,028,030	\$86,292	\$20,380,105
Apr-06	\$3,023,312	\$3,307,684	\$1,949,848	\$10,064,465	\$85,720	\$18,431,029
May-06	\$3,284,286	\$3,732,390	\$2,111,018	\$11,108,178	\$84,231	\$20,320,103
Jun-06	\$3,170,835	\$3,492,652	\$2,011,196	\$10,740,618	\$70,285	\$19,485,586
Jul-06	\$3,115,309	\$3,432,235	\$1,911,333	\$10,394,043	\$73,475	\$18,926,395

* Unable to tag claims to a specific coverage level.

Medical Claims Utilization

The following is based on medical claims (does not include Rx) incurred in 2006 year to date. (Note: Services are tracked by each service, not by each visit. Therefore if two laboratory services are performed at one visit, it will count as two services.)

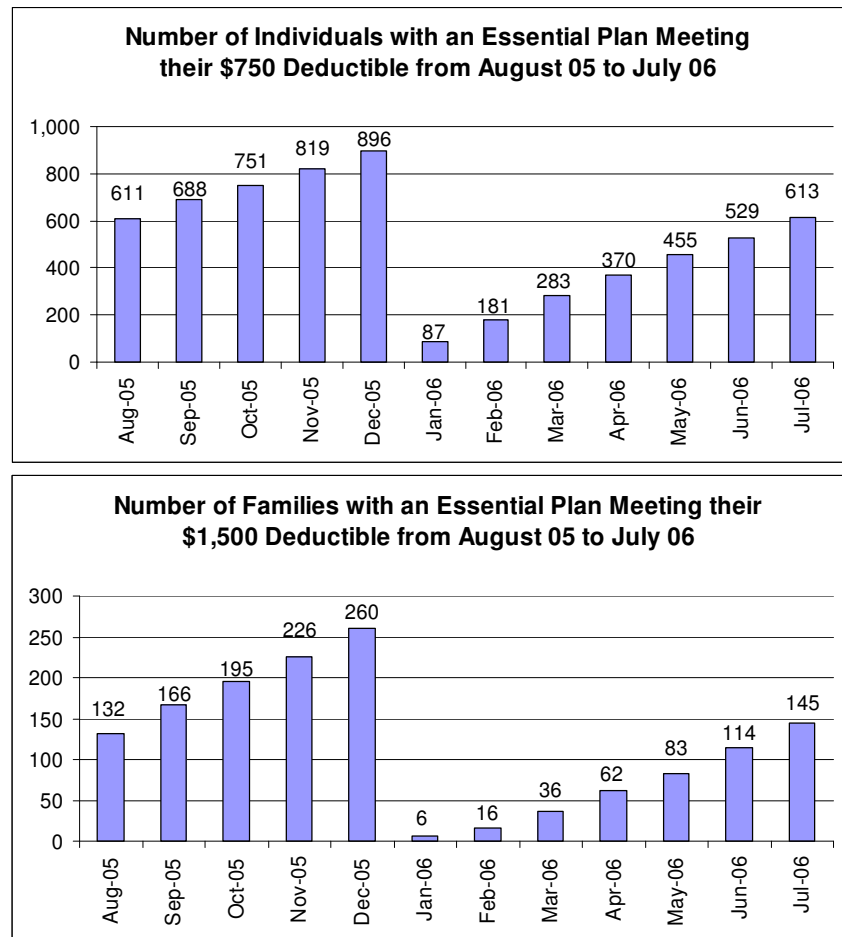
Plans	Number of Hospital Admits per 1000 Members	Average Length of Stay per Admission	Total Admission Days Per 1000 Members	Office Visits per 1000 Members	ER Visits Per 1000 Members	Outpatient Laboratory Services Per 1000 Members	Outpatient Radiology Services Per 1000 Members
Commonwealth Enhanced	68.47	3.8	260.52	7,027.34	197.36	6,414.67	2,336.59
Commonwealth Essential	52.75	4.21	222.09	3,527.79	167.04	3,575.19	1,329.85
Commonwealth Premier	101.73	4.12	419.02	9,312.60	235.59	9,152.22	3,347.70
~Missing		3.82					
All Plans	85.97	3.99	343.12	8,095.94	216.16	7,715.87	2,816.85

*Missing means the claims could not be tagged to a specific plan.

Analysis of Individuals and Families meeting their Deductible

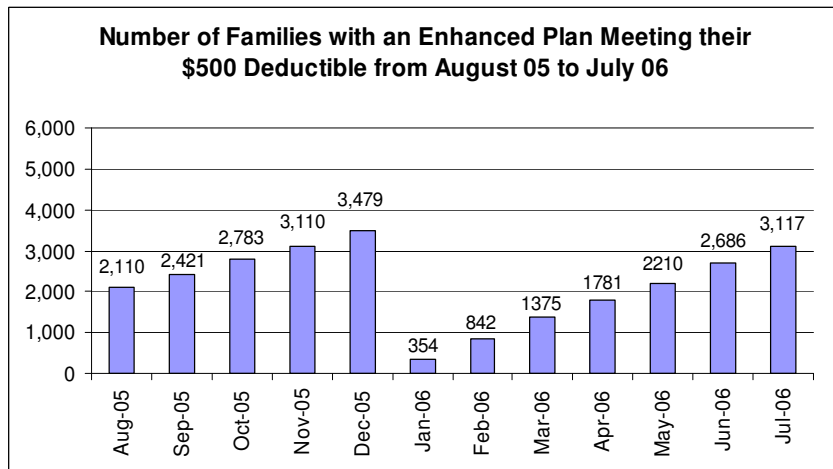
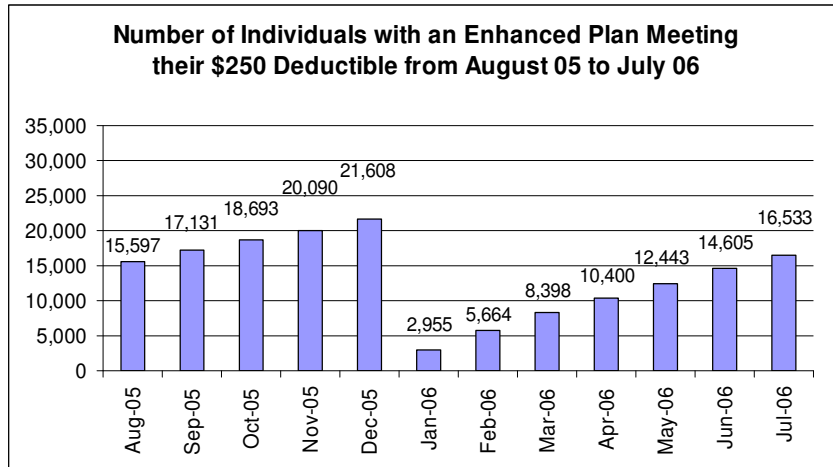
The following details the number of individuals and families by plan, meeting their deductible amounts for the most recent rolling year. The report is based on incurred claims.

Essential

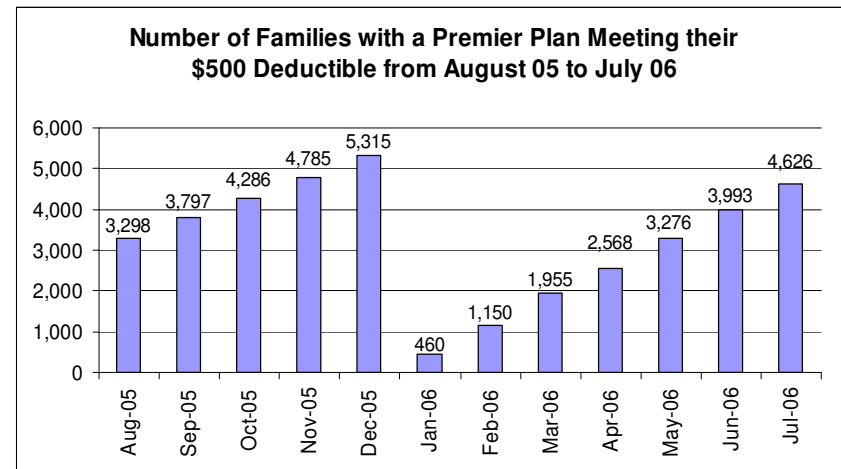
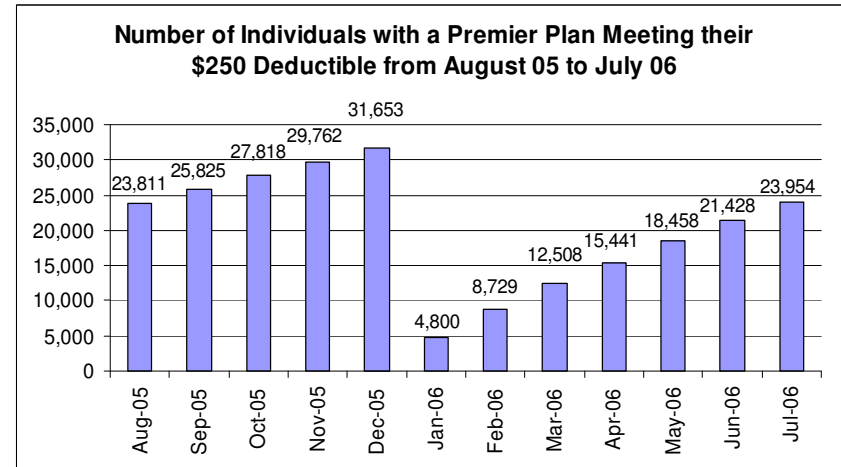


A total of 18.62% of Individuals with an Essential Plan met their deductible while 12.41% of Families met their deductible in 2005.

Enhanced



Premier

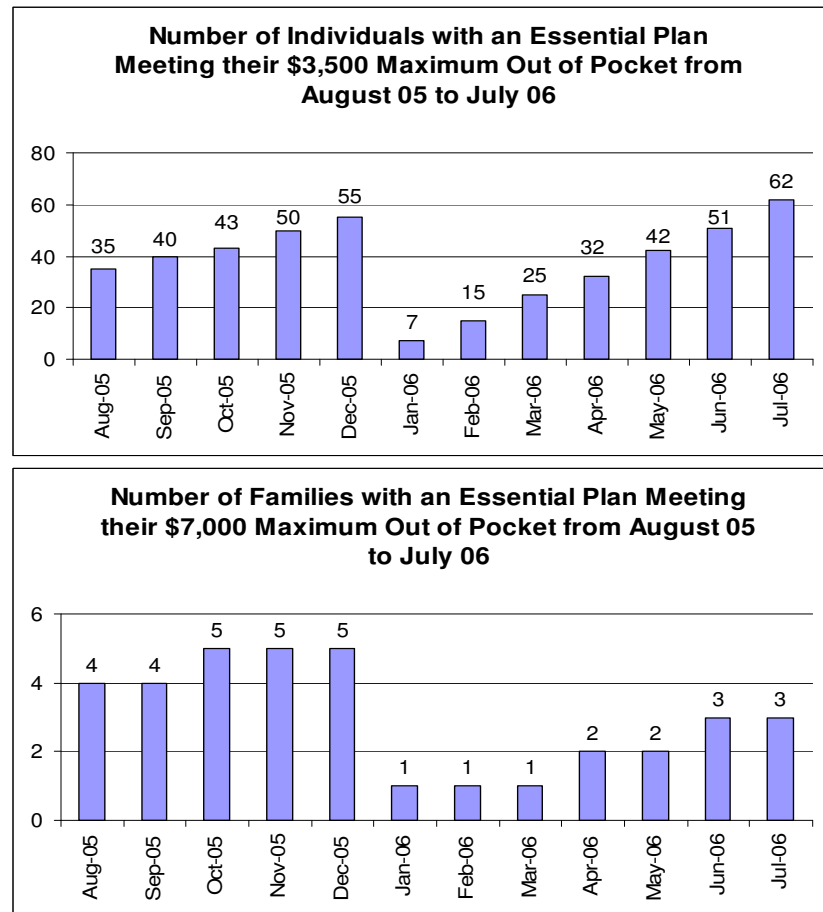


A total of 19.40% of Individuals with an Enhanced Plan met their deductible while 5.00% of Families met their deductible in 2005.
A total of 27.85% of Individuals with a Premier Plan met their deductible while 6.92% of Families met their deductible in 2005.

Analysis of Individuals and Families meeting their Maximum Out of Pocket expenses.

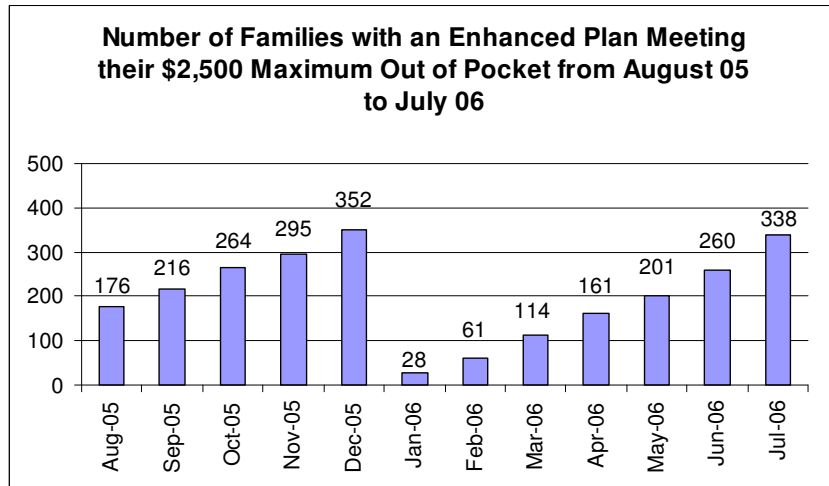
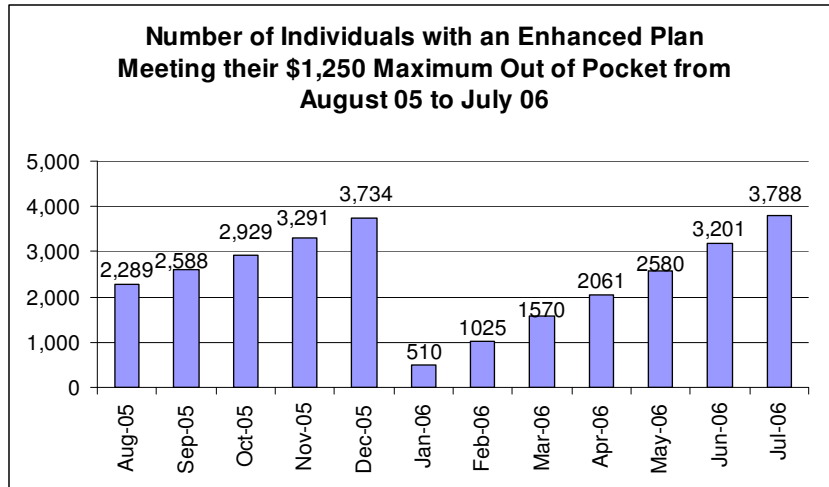
The following details the number of individuals and families by plan, meeting their maximum out of pocket amounts for the most recent rolling year. The report is based on incurred claims.

Essential

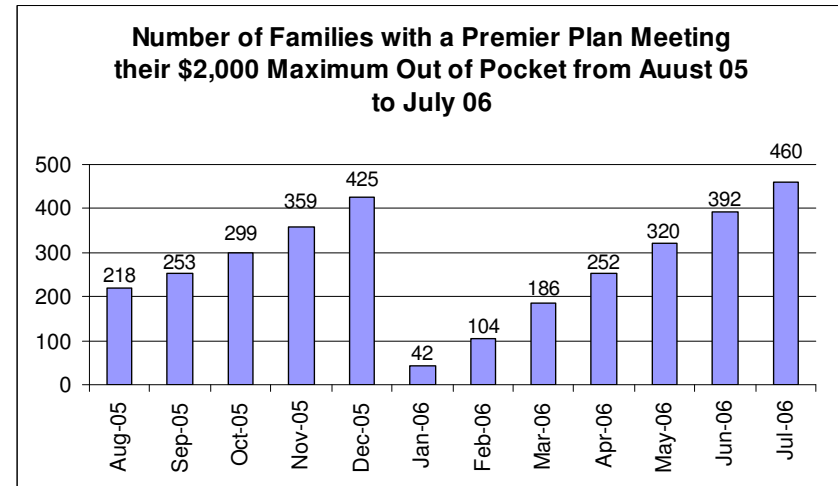
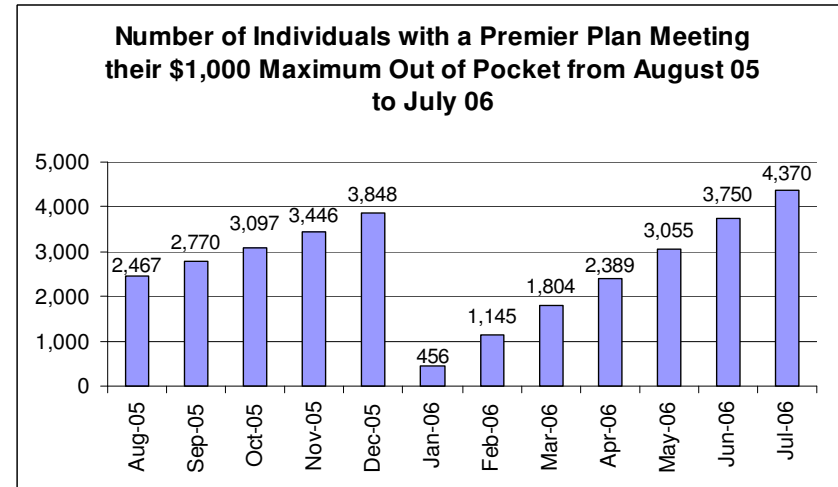


A total of 1.14% of Individuals with an Essential Plan met their Maximum Out of Pocket while 0.24% of Families met their Maximum Out of Pocket in 2005.

Enhanced



Premier



A total of 3.35% of Individuals with an Enhanced Plan met their Maximum Out of Pocket while 0.51% of Families met their Maximum Out of Pocket in 2005.

A total of 3.39% of Individuals with a Premier Plan met their Maximum Out of Pocket while 0.55% of Families met their Maximum Out of Pocket in 2005.

Premium (or Premium Equivalent)

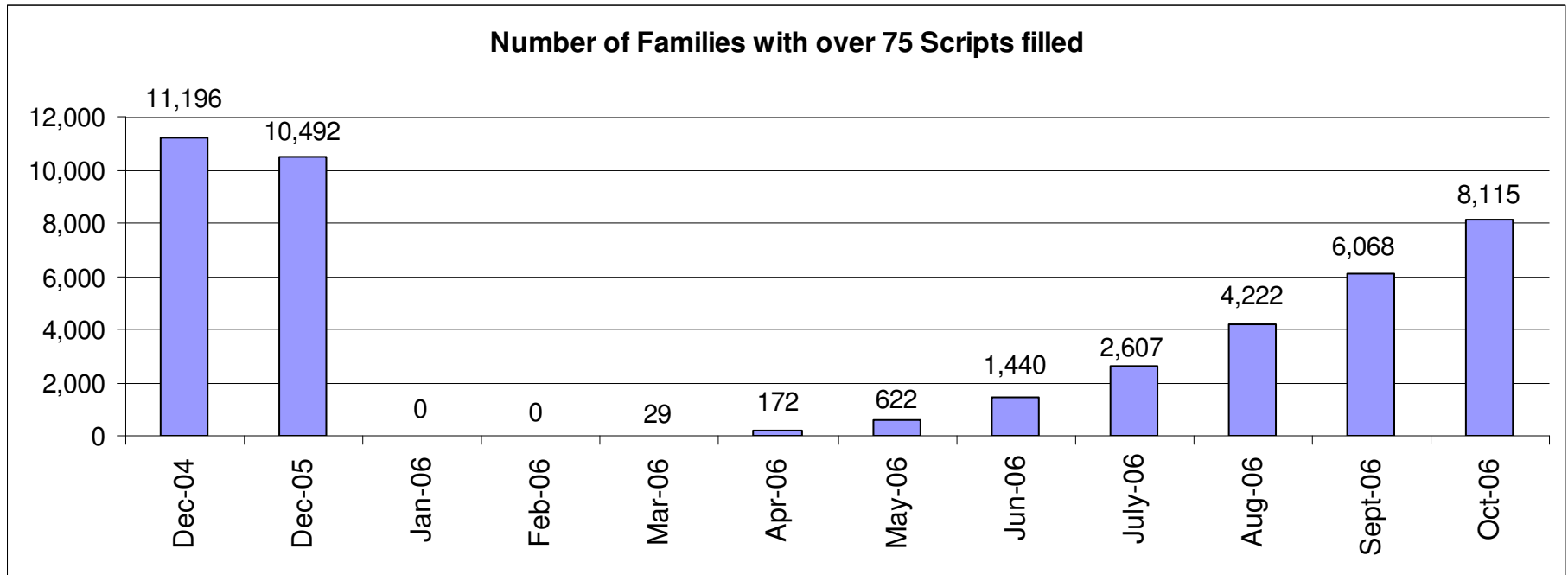
The following details the amount of premium (or premium equivalent) paid by the employee and employer for 2005, and monthly year-to-date for 2006.

Time Period	Employee Premium Amount	Employer Premium Amount	Total Premium Amount
2005	\$143,746,542	\$808,691,861	\$952,438,403
Jan-06	\$12,823,810	\$83,835,650	\$96,659,460
Feb-06	\$12,803,870	\$83,884,677	\$96,688,547
Mar-06	\$12,786,302	\$83,730,461	\$96,516,763
Apr-06	\$12,805,772	\$83,729,704	\$96,535,476
May-06	\$12,791,952	\$83,656,429	\$96,448,381
Jun-06	\$12,789,120	\$83,646,530	\$96,435,650
Jul-06	\$12,863,569	\$74,235,274	\$87,098,843
Aug-06	\$12,786,174	\$73,543,888	\$86,330,063
Sep-06	\$12,691,236	\$73,623,403	\$86,314,639
Oct-06	\$12,835,288	\$75,161,879	\$87,997,167

NOTE: Premium (or premium equivalent) is based on enrollment using published premium rates – it is NOT based on actual payments received!

Prescription Drug Utilization

The following details the number of families that have purchased 75 scripts or more during 2004, 2005, and monthly year-to-date for 2006. After a family has filled 75 prescriptions the co-payment was reduced to \$10 for 2nd tier and \$20 for 3rd tier.



The following details the type of prescription filled, the % that were generic, and the generic efficiency rate for the most recent rolling year. The generic percentage rate and generic efficiency rate increased in 2006. Based on Incurred claims.

	Generic	Brand Name, Generic Available	Brand Name	Other*	Total	Scripts Rx % Generic	Scripts Generic Efficiency Rx
Aug-05	173,330	16,547	157,844	8,031	355,752	48.72%	91.29%
Sep-05	144,273	13,164	127,035	6,929	291,401	49.51%	91.64%
Oct-05	181,826	16,043	161,348	8,399	367,616	49.46%	91.89%
Nov-05	183,537	15,560	158,958	8,504	366,559	50.07%	92.18%
Dec-05	151,256	12,565	120,140	9,695	293,656	51.51%	92.33%
Jan-06	194,237	14,782	155,999	7,377	372,395	52.16%	92.93%
Feb-06	186,985	13,162	148,182	7,330	355,659	52.57%	93.42%
Mar-06	214,688	14,526	168,500	7,947	405,661	52.92%	93.66%
Apr-06	187,850	12,880	147,382	6,728	354,840	52.94%	93.58%
May-06	206,384	13,756	159,982	8,149	388,271	53.15%	93.75%
Jun-06	198,922	13,302	150,804	7,919	370,947	53.63%	93.73%
Jul-06	195,432	12,945	141,689	14,999	365,065	53.53%	93.79%

*Includes: Over the Counter (usually includes items such as diabetic supplies, syringes, and test strips, etc.), Other/Unavailable or Missing (unable to tag to a specific group).

The following details the number of members and patients utilizing prescription benefits and the associated costs for the most recent rolling year. Based on Incurred claims.

	Members	Patients	Scripts	Scripts Per Member	Scripts Per Patient	Allow Amt Per Script*	Net Pay Per Script	Average out of pocket cost per member	Average out of pocket cost per patient
Aug-05	227,528	132,256	355,752	1.56	3.15	\$61.25	\$46.24	\$23.43	\$40.31
Sep-05	228,123	125,486	291,401	1.28	2.85	\$60.19	\$45.48	\$18.74	\$34.08
Oct-05	233,058	133,816	367,616	1.58	3.17	\$62.77	\$48.02	\$23.21	\$40.43
Nov-05	233,617	134,792	366,559	1.57	3.15	\$60.45	\$46.34	\$22.11	\$38.31
Dec-05	234,180	130,943	293,656	1.25	2.81	\$59.98	\$46.04	\$17.43	\$31.17
Jan-06	234,184	143,519	372,395	1.59	3.03	\$63.45	\$51.66	\$18.74	\$30.59
Feb-06	234,341	143,873	355,659	1.52	2.88	\$61.66	\$49.98	\$17.73	\$28.88
Mar-06	234,253	151,614	405,661	1.73	3.09	\$61.88	\$50.24	\$20.15	\$31.14
Apr-06	234,623	141,924	354,840	1.51	2.92	\$63.69	\$51.94	\$17.76	\$29.36
May-06	234,631	146,831	388,271	1.65	3.07	\$63.96	\$52.33	\$19.24	\$30.74
Jun-06	234,812	145,138	370,947	1.58	3.02	\$63.95	\$52.53	\$18.03	\$29.18
Jul-06	235,076	144,569	365,065	1.55	3.00	\$63.00	\$51.84	\$17.32	\$28.16

* "Allow Amt" is the amount of submitted charges eligible for payment for all claims. It is the amount eligible after applying pricing guidelines, but before deducting third party, co-payment, coinsurance, or deductible amounts.

The following top 25 drug analysis is based on Rx claims incurred from January 2006 to July 2006.

Product Name*	Total Rx Payments	Net Pay Rx as % of All Drugs	Number of Scripts	Net Pay Per Day Supply Rx	Number of members receiving an RX
ZOCOR	\$6,183,840	4.60%	43,768	\$3.85	12,969
NEXIUM	\$4,077,305	3.03%	26,062	\$4.38	6,365
SINGULAIR	\$2,984,386	2.22%	33,278	\$2.57	9,528
PREVACID	\$2,818,115	2.09%	17,822	\$4.51	4,500
ENBREL	\$2,566,367	1.91%	1,676	\$51.75	344
EFFEXOR-XR	\$2,544,369	1.89%	20,692	\$3.66	4,540
ZOLOFT	\$2,239,866	1.66%	27,861	\$2.38	6,738
WELLBUTRIN XL	\$2,129,621	1.58%	15,982	\$3.90	3,947
AVANDIA	\$2,042,480	1.52%	14,343	\$4.09	3,207
CRESTOR	\$1,982,637	1.47%	24,199	\$2.30	6,446
PLAVIX	\$1,886,030	1.40%	14,763	\$3.64	3,307
VYTORIN	\$1,874,045	1.39%	23,194	\$2.24	5,996
TOPAMAX	\$1,804,749	1.34%	8,184	\$6.68	2,180
LEXAPRO	\$1,782,116	1.32%	26,489	\$2.01	6,630
PROTONIX	\$1,744,011	1.30%	17,056	\$2.94	4,520
ACTOS	\$1,498,476	1.11%	10,393	\$4.09	2,524
FEXOFENADINE HCL	\$1,481,882	1.10%	30,549	\$1.56	10,934
LOTREL	\$1,284,736	0.95%	15,780	\$2.37	3,196
LIPITOR	\$1,236,928	0.92%	15,738	\$2.09	4,091
ZYRTEC	\$1,208,041	0.90%	33,760	\$1.06	13,149
TRICOR	\$1,176,266	0.87%	12,910	\$2.58	3,071
ADVAIR DISKUS 250/50	\$1,167,084	0.87%	7,001	\$4.80	2,781
LEVAQUIN	\$1,133,376	0.84%	12,705	\$9.94	10,141
CELEBREX	\$1,123,412	0.83%	9,330	\$3.32	2,856
ZETIA	\$1,029,752	0.77%	13,458	\$2.13	3,414

*"Product Name" includes all strengths/formulations of a drug.

In summary the top 25 drugs represent over 18% of the total scripts and over 37% of total Rx expenditures.

Summary	Total Rx Payments	Number of Scripts	Days Supply Rx
Top Drugs	\$50,999,890	476,993	16,251,795
All Product Names	\$134,558,512	2,612,838	74,429,770
Top Drugs as Pct of All Drugs	37.90%	18.26%	21.84%

Utilization

The top 25 clinical conditions based on “incurred claims” from January 2006 to July 2006 are detailed below. (Note: Total Medical Payments represents only the payments made for the specified condition.)

Clinical Conditions	Total Medical Payments	Medical Payments Inpatient	Medical Payments Outpatient	Admissions per 1000 Members	Average Length of Stay per Admission	Office Visits Per 1000 Members	ER Visits Per 1000 Members	Number of Patients	Net Pay Per Patient Medical
“Other” conditions not otherwise categorized*	\$24,854,523	\$4,275,542	\$20,422,117	2.89	8.07	334.94	12.85	47,535	\$522.87
Coronary Artery Disease	\$20,897,566	\$13,327,798	\$7,568,286	5.19	3.2	70.65	2.8	6,055	\$3,451.29
Respiratory Disord, NEC	\$20,394,880	\$5,645,214	\$14,648,797	2.96	2.51	122.89	16.21	18,432	\$1,106.49
Prevent/Admin Hlth Encounters	\$18,999,005	\$106,293	\$18,887,845	0.05	3.86	636.22	0.77	83,290	\$228.11
Gastroint Disord, NEC	\$16,927,441	\$3,506,230	\$13,419,463	2.21	4.3	156.76	15.41	21,508	\$787.03
Spinal/Back Disorders, NEC	\$15,981,297	\$3,807,186	\$12,147,131	1.46	2.67	629.06	5.17	21,637	\$738.61
Arthropathies/Joint Disord NEC	\$13,848,273	\$1,044,088	\$12,770,004	0.61	3.71	686.99	6.66	35,442	\$390.73
Osteoarthritis	\$13,032,674	\$7,983,193	\$5,036,014	3.05	3.49	184.99	0.34	11,742	\$1,109.92
Pregnancy w Vaginal Delivery	\$8,362,316	\$8,311,419	\$50,897	6.41	2.31	0.63	0	1,489	\$5,616.06
Infections - ENT Ex Otitis Med	\$7,440,233	\$287,506	\$7,144,614	0.52	2.49	543.05	10.39	54,731	\$135.94
Cancer - Breast	\$7,097,339	\$317,564	\$6,779,604	0.39	3.51	50.46	0.09	1,888	\$3,759.18
Cholecystitis/Cholelithiasis	\$6,256,193	\$1,732,621	\$4,523,571	1.54	3.29	7.46	1.32	1,537	\$4,070.39
Renal Function Failure	\$5,943,874	\$860,452	\$5,002,103	0.28	5.79	10.57	0.39	1,035	\$5,742.87
Condition Rel to Tx - Med/Surg	\$5,897,457	\$4,432,327	\$1,453,292	2.32	5.12	6.5	1.87	1,456	\$4,050.45
Infec/Inflam - Skin/Subcu Tiss	\$5,484,178	\$1,290,248	\$4,178,805	1.23	4.05	256.47	5.13	26,254	\$208.89

Clinical Conditions	Total Medical Payments	Medical Payments Inpatient	Medical Payments Outpatient	Admissions per 1000 Members	Average Length of Stay per Admission	Office Visits Per 1000 Members	ER Visits Per 1000 Members	Number of Patients	Net Pay Per Patient Medical
Gynecological Disord, NEC	\$5,394,827	\$976,369	\$4,418,180	0.91	2.23	82.24	1.32	12,559	\$429.56
Hernia/Reflux Esophagitis	\$5,181,738	\$1,288,718	\$3,891,968	0.85	4.13	53.61	1.4	7,549	\$686.41
Hypertension, Essential	\$5,163,352	\$744,030	\$4,415,294	0.61	3.77	325.77	1.48	32,256	\$160.07
Chemotherapy Encounters	\$5,006,617	\$597,730	\$4,408,888	0.34	3.23	0.91	0	261	\$19,182.44
ENT Disorders, NEC	\$5,006,290	\$63,437	\$4,940,301	0.14	2.37	655.38	2.5	24,129	\$207.48
Nutritional Disorders, NEC	\$4,980,854	\$776,272	\$4,197,387	0.8	3.6	215.43	1.69	31,068	\$160.32
Diabetes	\$4,871,619	\$1,129,571	\$3,709,847	0.83	4.61	199.15	1.36	14,832	\$328.45
Urinary Tract Calculus	\$4,768,435	\$705,925	\$4,062,460	1.12	2.39	15.04	4.28	1,870	\$2,549.97
Newborns, w/w/o Complication	\$4,666,798	\$4,396,253	\$270,545	7.05	3.59	3.27	0.06	1,565	\$2,981.98
Cardiac Arrhythmias	\$4,339,648	\$2,039,515	\$2,300,036	1.23	3.08	39.42	2.01	3,691	\$1,175.74

*Based on ICD-9 codes that could not be attributed to any other condition.

In summary the top 25 clinical conditions represent over 58% of total paid claims for all clinical conditions.

Summary	Total Medical Payments	Medical Payments Inpatient	Medical Payments Outpatient	Admissions Per 1000 Members	Average Length of Stay per Admission	Office Visits Per 1000 Members	ER Visits Per 1000 Members
Top Clinical Conditions	\$240,797,426	\$69,645,501	\$170,647,450	45	3.61	5,287.84	95.51
All Clinical Conditions	\$413,493,718	\$124,879,335	\$287,613,499	85.97	3.99	8,095.94	216.16
Top Clinical Conditions as Pct of All Clinical Conditions	58.23%	55.77%	59.33%	52.34%	90.57%	65.31%	44.19%

Claims Lag Analysis

The following claims lag information is based on medical claims (does not include Rx) incurred from January 2006 to July 2006.

Plans	Number of Medical Claims	Avg Days Lag Per Claim	% Claims Paid Within 30 Days	% Claims Paid Within 60 Days	% Claims Paid Within 90 Days
Commonwealth Enhanced	1,594,601	22.8	80.82%	90.81%	95.10%
Commonwealth Essential	34,367	28.4	75.07%	86.64%	92.53%
Commonwealth Premier	2,257,413	22.4	81.07%	91.22%	95.37%
~Missing*	13,794	35	63.27%	81.89%	90.42%
All Plans	3,900,175	22.7	80.85%	90.98%	95.21%

*Missing means the claims could not be tagged to a specific plan.

The following claims lag information is based on all claims (Medical and Rx) incurred and paid during the most recent rolling year.

Paid	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06
Incurred						
Nov-05	\$23,681,263	\$38,498,406	\$4,839,072	\$1,922,761	\$908,620	\$575,637
Dec-05	N/A	\$25,805,048	\$35,809,332	\$4,957,617	\$2,461,612	\$758,959
Jan-06	N/A	N/A	\$34,335,774	\$23,431,436	\$7,952,052	\$3,096,509
Feb-06	N/A	N/A	N/A	\$33,503,834	\$27,144,347	\$5,802,402
Mar-06	N/A	N/A	N/A	N/A	\$42,751,720	\$28,170,351
Apr-06	N/A	N/A	N/A	N/A	N/A	\$34,493,824
May-06	N/A	N/A	N/A	N/A	N/A	N/A
Jun-06	N/A	N/A	N/A	N/A	N/A	N/A
Jul-06	N/A	N/A	N/A	N/A	N/A	N/A
Aug-06	N/A	N/A	N/A	N/A	N/A	N/A
Sep-06	N/A	N/A	N/A	N/A	N/A	N/A
Oct-06	N/A	N/A	N/A	N/A	N/A	N/A

Paid	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06
Incurred						
Nov-05	\$229,619	\$177,545	\$7,397	-\$21,534	\$17,228	\$35,131
Dec-05	\$484,789	\$281,052	\$275,156	\$81,135	\$3,212	\$33,777
Jan-06	\$2,162,211	\$1,476,000	\$984,173	\$298,174	\$250,814	\$258,598
Feb-06	\$2,507,251	\$1,664,501	\$1,032,648	\$504,257	\$282,455	\$164,156
Mar-06	\$6,467,371	\$3,433,255	\$1,926,786	\$819,310	\$763,813	\$235,727
Apr-06	\$28,818,772	\$4,394,032	\$2,645,560	\$940,951	\$1,049,988	\$279,149
May-06	\$41,366,106	\$29,072,632	\$7,069,557	\$3,771,359	\$1,565,134	\$293,135
Jun-06	N/A	\$43,026,694	\$30,749,516	\$5,714,004	\$2,098,163	\$1,117,327
Jul-06	N/A	N/A	\$38,381,466	\$32,900,170	\$4,940,269	\$1,944,501
Aug-06	N/A	N/A	N/A	\$45,213,813	\$30,583,989	\$5,336,499
Sep-06	N/A	N/A	N/A	N/A	\$40,454,408	\$28,271,700
Oct-06	N/A	N/A	N/A	N/A	N/A	\$46,580,222

Claims Distribution based on Age/Gender

The following is based on claims incurred from January 2006 to July 2006.

	Female			Male		
Age Group Medstat	Members Avg	Net Pay Med and Rx	Net Pay Per Member	Members Avg	Net Pay Med and Rx	Net Pay Per Member
Ages < 1	241	\$2,409,372	\$9,984.96	251	\$2,553,889	\$10,178.91
Ages 1-4	4,201	\$4,325,647	\$1,029.74	4,330	\$7,279,104	\$1,681.20
Ages 5-9	5,668	\$3,178,495	\$560.74	5,975	\$4,335,734	\$725.60
Ages 10-14	6,441	\$4,886,727	\$758.73	6,778	\$4,355,358	\$642.53
Ages 15-17	4,506	\$3,943,078	\$875.00	4,698	\$4,918,290	\$1,046.89
Ages 18-19	3,137	\$3,404,449	\$1,085.29	3,348	\$2,736,182	\$817.28
Ages 20-24	7,046	\$7,967,751	\$1,130.84	6,277	\$5,140,234	\$818.86
Ages 25-29	7,903	\$14,636,167	\$1,851.88	3,841	\$3,277,074	\$853.12
Ages 30-34	8,715	\$17,219,107	\$1,975.82	4,710	\$5,550,373	\$1,178.32
Ages 35-39	10,555	\$21,806,710	\$2,066.03	5,500	\$7,688,065	\$1,397.80
Ages 40-44	11,687	\$28,029,088	\$2,398.29	6,271	\$11,378,208	\$1,814.53
Ages 45-49	14,530	\$37,994,636	\$2,614.84	7,744	\$17,533,070	\$2,264.06
Ages 50-54	17,664	\$53,008,852	\$3,000.95	10,330	\$28,811,428	\$2,789.10
Ages 55-59	19,502	\$66,547,712	\$3,412.28	12,549	\$42,540,936	\$3,389.88
Ages 60-64	14,606	\$59,824,469	\$4,096.00	9,768	\$42,038,669	\$4,303.54
Ages 65-74	3,368	\$15,646,313	\$4,645.03	2,455	\$13,087,043	\$5,329.90

Allowed Amount Distribution

The following shows the distribution of members with allowed amount of charges within specified ranges from January 2005 to July 2006. The distribution is based on incurred claims.

Allowed Amount	2005	YTD - 2006
less than 0.00	88	1
\$0.00 - \$499.99	50,006	67,902
\$500.00 - \$999.99	29,246	37,005
\$1,000.00 - \$1,999.99	35,397	39,315
\$2,000.00 - \$4,999.99	47,465	41,261
\$5,000.00 - \$9,999.99	26,203	16,596
\$10,000.00 - \$14,999.99	9,142	5,222
\$15,000.00 - \$19,999.99	4,048	2,143
\$20,000.00 - \$29,999.99	3,538	1,883
\$30,000.00 - \$49,999.99	2,315	1,277
\$50,000.00 - \$74,999.99	927	526
\$75,000.00 - \$99,999.99	387	205
\$100,000.00 - \$149,999.99	302	148
\$150,000.00 - \$199,999.99	116	48
\$200,000.00 - \$249,999.99	58	19
over \$249,999.99	74	39
Total	209,312	213,590

Summary of Enrollment and Claims

The following provides a summary of members, incurred medical claims, and incurred Rx claims for the most recent rolling year.

Time Period	Members	Net Pay Med and Rx	Net Pay Med	Net Pay Rx	Claims Paid	Claims Paid Med	Scripts Rx
Aug-05	227,528	\$71,725,883	\$55,275,608	\$16,450,275	629,855	269,381	355,752
Sep-05	228,123	\$65,571,439	\$52,318,599	\$13,252,840	545,523	249,417	291,401
Oct-05	233,058	\$72,573,884	\$54,919,147	\$17,654,737	635,606	262,496	367,616
Nov-05	233,617	\$70,871,145	\$53,886,509	\$16,984,635	636,095	264,121	366,559
Dec-05	234,180	\$70,951,690	\$57,430,808	\$13,520,882	565,302	255,822	293,656
Jan-06	234,184	\$74,245,741	\$55,006,714	\$19,239,028	635,215	256,805	372,395
Feb-06	234,341	\$72,605,851	\$54,829,584	\$17,776,267	610,551	249,294	355,659
Mar-06	234,253	\$84,568,332	\$64,188,227	\$20,380,105	699,479	287,394	405,661
Apr-06	234,623	\$72,622,275	\$54,191,247	\$18,431,029	601,438	240,551	354,840
May-06	234,631	\$83,137,922	\$62,817,819	\$20,320,103	659,988	264,969	388,271
Jun-06	234,812	\$82,705,704	\$63,220,118	\$19,485,586	647,130	269,618	370,947
Jul-06	235,076	\$78,166,406	\$59,240,011	\$18,926,395	627,400	255,144	365,065

NOTE: Includes run out data from all Carriers

The following illustrates the change in incurred claims amounts (includes medical and Rx) by rolling year.

Incurred Rolling Years	Members	Total Medical and Rx Claims	Total Medical Claims	Total RX Claims
Aug 2004 - Jul 2005	228,531	\$793,095,362	\$615,865,576	\$177,736,955
Aug 2005 - Jul 2006	233,238	\$899,432,854	\$687,324,390	\$212,423,083
% Change (Roll Yrs)	2.10%	13.40%	11.60%	19.50%